

PROJECT DATA SHEET

1. TRANSACTION CODE

A = Add
 C = Change
 D = Delete

Amendment Number
Two

DOCUMENT CODE
3

2. COUNTRY/ENTITY

PERU/USAID

3. PROJECT NUMBER

527-0319

4. BUREAU/OFFICE

LAC

05

5. PROJECT TITLE (maximum 40 characters)

STRENGTHENING HEALTH INSTITUTIONS

6. PROJECT ASSISTANCE COMPLETION DATE (FACD)

MM DD YY
1 2 3 1 9 9

7. ESTIMATED DATE OF OBLIGATION

(Under 'B.' below, enter 1, 2, 3, or 4)

A. Initial FY 9 1

B. Quarter 4

C. Final FY 9 8

8. COSTS (\$000 OR EQUIVALENT \$1 =)

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	1,740	1,285	3,025	8,070	10,292	18,362
(Grant)	(1,740)	(1,285)	(3,025)	(8,070)	(10,292)	(18,362)
(Loan)	()	()	()	()	()	()
Other U.S.	1.					
	2.					
Host Country						
Other Donor(s)					1,000	1,000
TOTALS	1,740	1,285	3,025	8,070	11,292	19,362

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. ACTIVITY CODE	C. ACTIVITY CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) HE	HESD			2,100				3,670	
(2) CS	HEDD			8,495				11,330	
(3) PN	PNPD			2,625				3,000	
(4) EH	EDEC					362		362	
TOTALS				13,220		362		18,362	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

11. SECONDARY ACTIVITY CODE

12. SPECIAL INTEREST CODES (maximum 7 codes of 4 positions each)

A. Code	CHS	FBN	TIC	INS	ECD	MBN	FRN
B. Amount	16,526	7,491	6,562	6,243	4,407	3,604	3,305

13. PROJECT PURPOSE (maximum 480 characters)

To evaluate and identify models of private primary health care services delivery which improve access, coverage, efficiency, and sustainability of services in two areas of Peru.

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY
0 3 9 4 1 0 9 6 1 0 9 9

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000 941 Local Other (Specify)

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a 8 page PP Amendment.)

The purpose of this amendment is to increase the life of project funding by \$362,000. This amendment is consistent with DOA No. 752, Section II, D, dated September 14, 1992. Mission Controller has reviewed and concurs with the method of implementation and financing included herein.

Jerry B. Martin-AController

17. APPROVED BY

Signature

George A. Wachtenheim

Title

Mission Director

Date Signed

MM DD YY
1 8 2 1 9 5

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION:

MM DD YY

PROJECT AUTHORIZATION
(Amendment Two)

Name of Country: PERU
Name of Project: Strengthening Health Institutions Project
Number of Project: 527-0319

A. The original Project Authorization for the Strengthening Health Institutions Project (the "Authorization") was signed on September 28, 1991, and amended on April 1, 1993. That authorization is hereby further amended as follows:

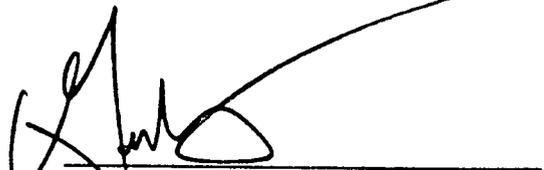
1. Paragraph 1 of the Authorization is hereby deleted in its entirety and the following is substituted in lieu thereof:

"Pursuant to Sections 104 and 105 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Strengthening Health Institutions Project for Peru involving planned obligations of not to exceed Eighteen Million Three Hundred Sixty-Two Thousand United States Dollars (\$18,362,000) in Grant Funds ("Grant") over a five (5) year period from the date of authorization, subject to the availability of funds in accordance with the USAID OYB/allotment process, to help in financing foreign exchange and local currency costs for the Project. The planned life of the project is eight years and three months from the date of initial obligation."

2. Paragraph 2 of the Authorization is amended to add the following sentence:

"These models will include basic education activities in support of the primary health care objectives."

B. Except as expressly amended herein, the Authorization remains in full force and effect.



George Wachtenheim
Mission Director

Drafted by:HPN:TMoore TM, 7/3/95

Clearances:

PDP:STaylor ST 7/17/95 see

EXO:L Foley LF

CONT:JBMartin JM

RLA:PRamsey i.d., 7/12/95

DD:DBoyd DB

STRENGTHENING HEALTH INSTITUTIONS PROJECT (SHIP) N° 527-0319

PROJECT PAPER SUPPLEMENT (AMENDMENT 2)

I. Objective.

This revision of the SHIP Project design is to incorporate a new component to provide basic education support to the MAXSERVE component activities in the Puno Subregion, using funds earmarked for Basic Education as additive to the existing SHIP funding and extend the southern component until March 31, 1998. The supplement also defines the project activities and end of project status within the Mission's new strategic objectives framework.

II. Background.

The project *goal* is to improve the health of the population in the project areas. The *purpose* is to evaluate and identify models of private primary health care delivery that improve access, coverage, efficiency, and sustainability of services in two areas of Peru. It supports Mission Strategic Objective 4, Improved Health for High-Risk Populations, and all three of its Program Outcomes: 1) Increased Use of Primary Health Care, 2) Heightened Sustainability of Primary Health Care, and 3) Increased Use of Preventive Practices and First-Line Care in the Home and Community.

SHIP includes four components: 1) a self-financing primary health care network in the North, being carried out under institutional contract with University Research Corporation in the Nor-Oriental Marañón Region, 2) expansion of primary health care services in the South, being carried out under Cooperative Agreement with CARE, 3) technical and policy studies, and 4) project monitoring. It was authorized in September 1991, and, following Amendment One dated April 20, 1993, will terminate on December 31, 1999.

III. Discussion

In Puno, the poorest of the SHIP regions and one of the poorest in Peru, the most innovative model for PHC service delivery is through the *wawa uta* (child development center) program being carried out by community-based organizations (CBOs) called *multicomunales* in Aymara Indian communities of Chucuito and Yunguyo Provinces. These grass roots CBOs are proving to have extraordinary ability and community support in carrying out program activities. However, there are two important constraints: a) adapting the program to the needs of the Aymara Indian language, culture, and natural environment, and b) consolidating the NGOs' management and administrative capacity. These can both be overcome with the proposed additional funding and time.

The Aymara Indian beneficiary communities initially proposed the *wawa uta* program,

which is organized locally by community-based mothers' clubs and involves three components of child development: pre-school education, primary health care, and nutrition. The project has provided important PHC services, including control of malnutrition, vaccinations, hygiene training and similar efforts to prevent infant and maternal mortality and the most common diseases. It has also provided potable water systems and latrines.

However, the Ministry of Education (MoE) teachers who staff these centers and provide the initial education services lack appropriate training and materials to adapt their teaching services to the sociocultural and natural environmental realities of the Aymara Indian communities they serve. As a result much of the content is lost to these pre-school children who do not understand Spanish nor the cultural and environmental presuppositions of this educational program. These factors limit the response of these children and their mothers to the PHC services provided in the project and, therefore, the project's possibilities of testing sustainable NGO models for PHC.

A modest pilot effort under an agreement between CARE and the Regional Office of the MoE in Puno with early childhood stimulation, pre-school teacher training, socioculturally and environmentally appropriate teaching materials, efforts to articulate pre-school and primary education, and supervision will strengthen the PHC and nutrition services provided by the *wawa uta* program in addition to the educational benefits to the target population. Such an effort would also help integrate the program and make it more sustainable.

IV. Revised Project Description.

In the Project Paper, Section IV, Project Description, Part B, Project Components, following Component 2, MAXSERVE: Expansion of PHC Services in the South, and preceding Component 3, which should be renumbered 4, "Project Studies and Policy Dialogue/Dissemination" on page 41, the following text should be inserted:

3. Basic Education Support.

In the Puno sub-region, in addition to the PHC services provided under sub-grants by the NGOs, CARE will also support sub-grants for basic education activities with the NGOs UNCA, Wiñay Marka, and Multicomunal San Carlos in the Aymara Indian communities where these NGOs provide PHC activities through the *wawa uta* program of child development centers. CARE will carry out these activities under an agreement with the José Carlos Mariátegui Regional Office of Education. They encompass early childhood stimulation, initial education teacher training, socioculturally appropriate teaching materials and manuals, a smoother articulation between pre-school and primary education, and supervision. The children's mothers, the community mothers' clubs, and the community organizations themselves will become directly involved in planning, executing, and evaluating these activities. These additional activities will strengthen and better integrate

the *wawa uta* program, increase and strengthen the level of women's and community involvement in and ownership of it, and render its basic PHC services more effective.

a). **Justification.** According to the 1993 Census, there are 16,395 Aymara Indian children aged 0-5 living in Puno, of which 7,289 participate in the *wawa uta* program of 290 child development centers in Chucuito and Yunguyo Provinces. This sub-region also has the most unfavorable health, nutrition, and education indicators. It has a chronic malnutrition rate of 54%, which rises to 58% in the rural areas. According to the same census, 61.4% of the homes lack sewerage; 13.0% of the children aged 6-12 do not attend school; 24.2% of the "heads of families" are illiterate; and 10.2% of families depend heavily upon State support. The infant mortality rate (IMR) for the José Carlos Mariátegui Region, according to the 1991/1992 Demographic Health Survey is 101/1000; the national rate is 55/1000. The Child Mortality Rate (CMR) for the Region is 133/10,000, compared with the national rate of 78/10,000.

SHIP has been addressing many of these problems and complementing the efforts of the MoH to provide better coverage with higher quality PHC services in rural areas of southern Puno. However, experience has shown that limitations in the quality of the basic education services, and particularly pre-school education services now being provided by the MoE, also limit the understanding and response of the children served by SHIP. As a result, the desertion rate in the *wawa utas* is now 18% and a comparable number remain enrolled but attend irregularly.

V. Revised Project Activities.

The new basic education component will strengthen and integrate the *wawa uta* program benefitting 7,500 children in Aymara Indian communities of Chucuito and Yunguyo Provinces of southern Puno employing a micro-concentration strategy. This program will provide early stimulation from motivated mothers to children aged 0-2. It will train MoE-sponsored initial education teachers in the *wawa utas* and provide them with socioculturally and environmentally sensitive initial education. It will also train first grade teachers in the effective articulation of education programs for the children prepared in the *wawa utas*.

These activities will be carried out by the Aymara Indian *multicomunales* UNCA, Wiñay Marka and San Carlos in the areas of their jurisdiction under sub-grants from CARE. CARE will provide technical assistance and training to these NGOs to help them strengthen the *wawa utas* and better integrate their health and nutrition activities with the educational inputs provided in the project. CARE will also provide increased support to activities aimed at strengthening the institutional capabilities of the sub-grantee NGOs in planning, management, administration, and evaluation of their activities. The CARE and SHIP supporting staff already in place will bring cumulative, shared experience to the basic education program in mutual coordination and supervision efforts.

The program will assume a pro-active gender policy by assuring equity in job opportunities. Through the program, CARE will encourage increased participation of women in community organization activities and leadership. Most of the project beneficiaries will be women who are mothers and their pre-school children.

VI. End of Project Status.

By December 1997:

1. At least 3,000 Aymara children aged 1-3 enrolled in the program will have benefited from early stimulation provided at home by mothers motivated by project training.

Indicators:

- 80% of children in each age group accomplish all development area objectives as per MoE norms.
- 80% of the mothers of children aged 2-3 will have received 200 hours of basic motivation training and will have proven their knowledge of the techniques involved in tests.

2. Approximately 4,500 Aymara children aged 5-6 will have received socioculturally and environmentally sound initial education in 180 *wawa utas*.

Indicators:

- enrollment statistics
- 80% of children 5-6 years old will have accomplished all initial education objectives corresponding to 3-4 years, as per MoE norms.
- drop-out rates and absenteeism of enrolled children are reduced by half at the end of the academic year.

3. At least 2,900 Aymara children aged 6-7 will have made a smooth transition into elementary education.

Indicators:

- enrollment statistics
- all children having completed the program will have been enrolled in the first grade of elementary school.
- the drop out rate of enrolled first grade students having completed the program will have been reduced by 50%. (This assumes the possibility of ex-post evaluation.)

4. 180 community education teachers in the same number of *wawa utas*, 122 first grade teachers, and 20 supervisors will have substantially improved pre-school training and articulation ability.

Indicator:

- An improvement of at least 40% in test scores from baseline assessments of pre-school and articulation knowledge and skills.

These changes support Mission Strategic Objective 4, Improved Health of High-Risk Populations, and the three Program Outcomes: increased equity of access and use of primary health care, heightened sustainability of primary health care, and strengthened preventive and appropriate first-line care in the home and community, by creating conditions that facilitate attaining the original End of Project Status, described in the Project Paper in Section Four, Part C, End of Project Status and Project Outputs, in a manner that is consistent with the USAID/Peru Action Plan for FY 1996-1997.

Accordingly, in the Project Paper, Section IV, Project Description, Part C, End of Project Status and Project Outputs, following Section 2a, MAXSALUD, Section 2b is deleted in its entirety and replaced with the following text:

b: MAXSERV

1. 20 grants made for primary health care services, including support services for community health promoter training, pharmaceutical systems, and radio broadcasts.
2. 3-5 grants made to support primary health care activities with pre-school educational training and support.
3. TA systems established and functioning.
4. Systems established and functioning for procurement and distribution of basic medicines.
5. Local councils of grantees functioning well: meeting regularly, sharing ideas.
6. MoH participates actively in TAG and PHC and local dissemination activities.

VII. Relationship to GoP, USAID, and Other Donor Efforts.

The MoE currently supports the community initial education promoters in the *wawa uta* program in Puno through its PRONOEI program. It lacks the capacity to put in place the level of training and socioculturally and environmentally appropriate teaching materials and manuals. The MoE also sponsors the PIETBAF program for early child stimulation but is unable to extend coverage of that program to the project communities in rural Puno.

The basic education activities that CARE and the sub-grantee NGOs will carry out under agreement with the Puno MoE Office will strengthen those programs.

USAID/Peru has special projects and food security support activities that address basic education needs. These activities will complement those and, more importantly, strengthen the Mission Strategic Objective 4 activities as indicated above.

UNICEF is conducting a program of basic education activities in *wawa wasi* centers in the Inka Region and elsewhere in Puno. SHIP will coordinate its basic education activities with those and seek mutual reinforcement on the basis of comparative experience.

The Cusco-based NGO, EFA (*Educación Rural Andina*), with financial support from the Swedish agency Rädde Barnen, has prepared initial education materials and teachers manuals for Aymara Indian communities that are socioculturally and environmentally appropriate for the *wawa uta* program. SHIP will coordinate the possibility of their use in that program with ERA and the MoE in Puno.

ILLUSTRATIVE SUMMARY BUDGET

(US\$'000)

PROJECT COMPONENT	Previously Approved	Increase/ Decrease	Variance	New Totals
I. Self-financing PHO (North)	10,158	0	0.00%	10,158
1. Technical Assistance	2,946	0	0.00%	2,946
2. Commodities	1,064	0	0.00%	1,064
3. Short-term Training	200	0	0.00%	200
4. Operating Costs	3,741	0	0.00%	3,741
5. Renovation/Construction	1,157	0	0.00%	1,157
6. Studies/Audits	50	0	0.00%	50
7. Overhead (25%)	1,000	0	0.00%	1,000
II. NGO Health Providers (South)	5,942	440	7.40%	6,382
1. Technical Assistance	639	0	0.00%	639
2. Commodities	173	0	0.00%	173
3. Short-term Training	297	0	0.00%	297
4. Operating Costs	1,312	0	0.00%	1,312
5. Sub-grants	2,400	371	15.46%	2,771
6. Studies/Audits	170	0	0.00%	170
7. CARE FMC (10%) + NICRA*	951	69	7.24%	1,020
III. Basic Education Support	0	362		362
1. Technical Assistance	0	48		48
2. Commodities	0	6		6
3. Short-term Training	0	2		2
4. Operating Costs	0	16		16
5. Sub-grants	0	229		229
6. Studies/Audits	0	4		4
7. CARE FMC (10%) + NICRA*	0	57		57
IV. Project Monitoring Support	1,400	(440)	-31.43%	960
V. Studies/Evaluation/Pre-Award	500	0	0.00%	500
TOTAL BUDGET FOR SHIP	18,000	362	2.01%	18,362

*The USAID/CARE Negotiated Indirect Cost Rate Agreement, adjusted according to audit recommendations; effective 7/1/94 the current rate is 7.79%.

